



International Narcotics Control Strategy Report - 2009

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Argentina

Volume I: Drug and Chemical Control

I. Summary

Argentina is a transshipment point for Andean-produced cocaine destined for Europe and for small quantities of Colombian heroin destined for the United States. It is a source country for precursor chemicals, as well as a transshipment country for ephedrine being sent to Mexico. Authorities have discovered several small 'kitchen' labs converting cocaine base to cocaine hydrochloride (HCl), and in 2008 authorities also exposed a number of small operations producing synthetic drugs. National data on seizures of cocaine and other illicit drugs has not been sufficiently consistent to make precise year-to-year comparisons, but available evidence points to increasing trafficking through the country. Argentina is a party to the 1988 UN Drug Convention.

II. Status of Country

Argentina is a transit country for cocaine from Bolivia, Peru, and Colombia destined for Europe and, to a lesser extent, for some Colombian heroin en route to the United States. Large seizures of cocaine in Europe have been linked to Argentina, and individual carriers of small quantities from Argentina to Europe are regularly discovered. Survey data in 2008 showed that marijuana was the most commonly consumed illicit drug in Argentina, followed by cocaine (HCl) and inhalants, respectively. A cheap, readily available and mentally debilitating drug "paco" (from pasta de cocaina—a byproduct of cocaine HCl production) is consumed in Argentina's impoverished neighborhoods. The United States and Argentina cooperated effectively in narcotics investigations in 2008. The Minister of Justice approved a comprehensive U.S.-Argentina initiative aimed at capacity-building under his ministry and has regularly accepted support for the Prefectura Naval (Coast Guard), Gendarmeria Nacional (Border Patrol equivalent), Federal Police, and Airport Police. Overall, however, Argentina's effectiveness in combating the illegal drug trade is hampered by sometimes poor coordination between law enforcement institutions at the national and provincial levels and particularly by inefficiencies in the legal system. As one of South America's largest producers of precursor chemicals, Argentina is vulnerable to diversion of chemicals into the illicit drug industry. The country's lack of effective controls over ephedrine imports during the first nine months of the year exposed it to a rapidly growing transshipment trade. A tightening

of regulations from mid-September 2008, following highly publicized incidents related to ephedrine trafficking, may reduce this vulnerability, but officials recognize the need for additional measures and enforcement.

III. Country Actions against Drugs in 2008

Policy Initiatives. In 2008, senior GOA officials discussed the idea of decriminalizing personal consumption of illicit drugs, arguing that such a measure would permit shifting of scarce police and judicial resources away from individual users and toward drug trafficking organizations, as well as freeing up funds for substance abuse treatment. Despite these suggestions from the executive branch, the federal legislature did not enact any new drug decriminalization laws in the course of the year.

Delays, lack of transparency, and inconsistency in judicial processes have reduced public confidence in the legal system. Argentina is transitioning from a written, inquisitorial jurisprudential system to an oral, accusatory system. Legislation to improve procedures for dealing with drug crimes has not been approved. The Ministry of the Justice, Security, and Human Rights (MOJ) has national authority over counter-drug law enforcement efforts, though independent provincial police and prosecutors are responsible for many seizures and trials. An independent agency responsible to the presidency, the Secretariat of Planning for the Prevention of Drug Addiction and Drug Trafficking (SEDRONAR), also plays a role in formulating national counter-drug policy and controls over precursor chemicals. Coordination between SEDRONAR and the MOJ appeared to be poor in 2008, and SEDRONAR appeared to have insufficient resources for its role in monitoring the use of precursor chemicals.

During the first half of 2008, traffickers exploited Argentina's lack of effective regulation over the importation of ephedrine to bring in large quantities of the substance then re-exporting it illicitly to Mexico. Some ephedrine has been used to manufacture synthetic drugs in Argentina. In September 2008, the GOA issued a decree prohibiting the importation of ephedrine by pharmacies, thereby closing a key loophole exploited by traffickers. The GOA now plans to have SEDRONAR, the MOJ, and the Ministry of Health oversee the importation of ephedrine for use by the country's pharmaceutical industry. The GOA still lacks the regulations required to impose criminal penalties for the illicit diversion of other precursor chemicals, and is still formulating plans to improve controls and penalties.

Accomplishments. In 2008, the GOA shut down UFIDRO, an entity created in 2005 in part to collect national data on drug crimes and seizures and established a new office under the Ministry of Justice to collect drug seizure data. Drug seizure data in Argentina is collected separately by national and provincial authorities and is not always reliable. National and provincial data through mid-November 2008 showed that security forces had seized nearly 7 metric tons of cocaine (HCl) and over 100 metric tons of marijuana. Federal authorities accounted for 80 percent of the recorded marijuana seizures and 55 percent of the cocaine. In the country's largest province, Buenos Aires, there was an increase in seizures and arrests during the first eight months of 2008 compared to 2007, including 1,400 kilograms (kg) of cocaine seized compared to 400 kg in 2007 and 200,000 doses of MDMA (Ecstasy) compared to 2,400 the year before. Following an August 2008 triple homicide reportedly linked to ephedrine trafficking, national police and

prosecutors achieved a string of successes in uncovering illicit ephedrine supplies and small-scale synthetic drug production facilities. During 2008, the MOJ also established three new drug analysis laboratories around the country to help with investigations and analysis of seized products.

Law Enforcement Efforts. The ongoing transition from a written, inquisitorial legal system to an oral, accusatorial system has caused delays between arrest and final rulings and there is a backlog of cases, the result being a further erosion of confidence in the judicial system. The GOA continues to implement reforms, including providing prosecutors and judges greater discretion in terms of selecting which cases to prosecute, the objective being to give authorities the ability to target major drug trafficking organizations.

Corruption. The GOA is publicly committed to fighting corruption and prosecuting those implicated in corruption investigations. It is not government policy, nor are any senior GOA officials known to engage in, encourage, or facilitate the illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions. The frequency with which investigations of narcotics-related cases fail to result in actual prosecutions or convictions has been cited as a basis for public concern about corruption.

Agreements and Treaties. Argentina is a party to the 1988 UN Drug Convention, the 1961 UN Single Convention as amended by the 1972 Protocol, the 1971 UN Convention on Psychotropic Substances; the UN Convention against Transnational Organized Crime and its three Protocols; and the UN Convention against Corruption. The United States and Argentina are parties to an extradition treaty that entered into force on June 15, 2000, and a bilateral mutual legal assistance treaty (MLAT) that entered into force on December 13, 1990. Both of these agreements are actively used by the United States with the GOA. Argentina has bilateral narcotics cooperation agreements with many neighboring countries. In addition, Spain, the United Kingdom, Germany, Australia, France, Italy and the Netherlands provide limited counternarcotics training and equipment. In 1990, U.S. Customs and Border Protection signed a Customs Mutual Assistance Agreement with the Government of Argentina. Argentina is also a party to the Inter-American Convention against Corruption, Inter-American Convention of Mutual Assistance in Criminal Matters, the Inter-American Convention against Trafficking in Illegal Firearms, and the Inter-American Convention against Terrorism.

Cultivation/Production. The government of Argentina contends that drug production in Argentina remains largely insignificant despite occasional discoveries of small “kitchen” labs converting cocaine base to HCl and despite the widespread use of a cocaine HCl byproduct, “paco,” in impoverished areas. There were several discoveries of labs producing ephedrine-based drugs in Argentina in 2008 as well. There is some marijuana cultivation in Argentina.

Drug Flow/Transit. Some Colombian-produced heroin is smuggled through Argentina via commercial flights going directly to the United States, or through Mexico and across the southwest U.S. border. There were no major heroin seizures reported during the first nine months of 2008. Colombian cocaine HCl entering Argentina is largely destined for international cocaine markets, primarily Europe but also Asia and the U.S. Cocaine HCl seizures have risen over time, from a reported 2.5 metric tons in 2006 to at least 7 metric tons in each of the past two years. There is an indigenous population along the northern border with Bolivia that traditionally consumes coca leaf, but the last maceration pit

discovered in Argentina was in 2006. Proceeds from drug smuggling ventures organized in Argentina are often brought back to the country by couriers in bulk cash shipments and then wired to the United States for investment or smuggled directly into the United States. Most of the marijuana consumed in Argentina originates in Paraguay and is smuggled across the border into the provinces of Misiones and Corrientes, from where it is then transported overland to urban centers or onward to Chile.

Demand Reduction Programs. SEDRONAR coordinates GOA demand reduction efforts. The GOA, in collaboration with private sector entities, sponsors a variety of print and broadcast information campaigns which have a nationwide reach. Argentina inaugurated its first National Drug Plan in 2005 and initiated a number of demand reduction programs in 2006 that continued into 2008, including a school-based program targeting 10-14 year-olds, a sports-based prevention program, a community prevention program and one focused on vulnerable populations. The latter has a specific focus on the use of the inexpensive but harmful drug “paco”

IV. U.S. Initiatives and Programs

Policy Initiatives. U.S. efforts in Argentina focus on four core areas: reducing Argentina’s role as a transit point for drug trafficking by disrupting and dismantling the major drug trafficking organizations in the region; promoting regional counternarcotics cooperation with Andean and Southern Cone nations; maximizing host nation drug enforcement capabilities; and fortifying bilateral cooperation with host nation law enforcement agencies.

Bilateral Cooperation. The cornerstone of the USG’s law enforcement support, with INL funding and Drug Enforcement Administration (DEA) expertise, is the Northern Border Task Force (NBTF), a joint law enforcement group comprising federal and provincial elements operating in Argentina’s northwestern provinces of Jujuy and Salta to interdict the drug flow from Colombia, Peru, and Bolivia. The Eastern Border Task Force (EBTF), created in 2007, extended its focus in 2008 on the illicit drug smuggling activities in the tri-border area with Paraguay and Brazil.

The Drug Enforcement Administration (DEA) works closely with Argentine federal and provincial law enforcement agencies, prosecutors and judges, and SEDRONAR, to improve coordination, cooperation, training and exchanges. DEA and the Embassy’s Legal Attaché office (LEGATT) are particularly focused on working with prosecutors and judges on improving and updating investigation and prosecution techniques vis-à-vis narcotics trafficking and other complex crimes.

DEA agents in the region develop intelligence that is shared among counternarcotics agencies and is key to the success of local law enforcement efforts. The decision by the Government of Bolivia to expel DEA agents from that country has already affected the ability of Argentine law enforcement agencies to develop and execute intelligence-driven operations.

U.S. Immigration and Customs Enforcement (ICE) provided advisory support for precursor shipment identification and investigative response. The Embassy’s Military Group helped organize training for the Gendarmeria Nacional, Prefectura Naval and other law enforcement agencies to strengthen the core capabilities of these forces to analyze information, conduct operations, provide first responder medical care, enforce

maritime law, provide port physical security, and invest in professional development. The U.S. Coast Guard provided a Maritime Law Enforcement Curriculum Infusion course. Instructors conducted an intensive curriculum review and assisted in the establishment of a syllabus, and honed instructional skills to further advance GOA training programs.

The Road Ahead. The GOA continues a slow process of institutional reform of its legal system and serious weaknesses remain. The GOA is seeking to tighten control of precursor chemicals, improve coordination among law enforcement agencies, integrate databases to enable more thorough investigations, and pursue greater transparency and more efficient operations in the judicial system. The U.S. Embassy in Buenos Aires will continue to make bilateral law enforcement cooperation the foundation of its efforts, using the Northern Border Task Force (NBTF) and the Eastern Border Task Force (EBTF) as the centerpieces to augment GOA interdiction and enforcement capabilities. The USG encourages the GOA to continue its operations at border areas against smuggling of bulk-cash, ephedrine and other precursor chemicals. The GOA should strengthen Argentina's anti-money laundering efforts and address its lack of clear regulations and procedures for forfeiture of criminally-obtained goods and assets.

Volume II: Money Laundering and Financial Crimes

Argentina is neither an important regional financial center nor an offshore financial center. Money laundering related to narcotics trafficking, corruption, contraband, and tax evasion is believed to occur throughout the financial system, in spite of the efforts of the Government of Argentina (GOA) to stop it. Transactions conducted through nonbank sectors and professions, such as the insurance industry, financial advisors, accountants, notaries, trusts, and companies, real or shell, remain viable mechanisms to launder illicit funds. Tax evasion is the predicate crime in the majority of Argentine money laundering investigations.

Argentina has a long history of capital flight and tax evasion, and Argentines hold billions of dollars outside the formal financial system (both offshore and in-country), much of it legitimately earned money that was not taxed. To combat capital flight and to encourage the return of these undeclared billions, on December 18, 2008, Argentina's legislature approved a tax moratorium and capital repatriation law that would provide a tax amnesty for persons who repatriate undeclared offshore assets during a six month window. The law entered into force December 24. Under the law, government tax authorities are prohibited from inquiring into the provenance of declared funds, and some critics have raised concerns that this could facilitate money laundering. Implementing regulations are to be promulgated in February 2009, which will clarify that transactions under this law will be subject to existing laws, rules, and regulations related to the prevention of financial crimes, and will also reportedly include a requirement that transfers from abroad originate in countries that comply with international money laundering and terrorism financing standards. Top level GOA officials have indicated that they will ensure all Argentine legislation, including this law, abides by Argentina's obligations as a member of the Financial Action Task Force (FATF) and the Financial Action Task Force for South America (GAFISUD). In January the GOA takes over the Presidency of GAFISUD for 2009.

In 2007, the Argentine Congress passed legislation criminalizing terrorism and terrorist financing. Law 26.268, "Illegal Terrorist Associations and Terrorism Financing," amends

the Penal Code and Argentina's anti-money laundering law, Law No. 25.246, to criminalize acts of terrorism and terrorist financing, and establish terrorist financing as a predicate offense for money laundering. Persons convicted of terrorism are subject to a prison sentence of five to 20 years, and those convicted of financing terrorism are subject to a five to 15 year sentence. The new law provides the legal foundation for Argentina's financial intelligence unit (the Unidad de Información Financiera, or UIF), Central Bank, and other regulatory and law enforcement bodies to investigate and prosecute such crimes. With the passage of Law 26.268, Argentina joins Chile, Colombia, and Uruguay as the only countries in South America to have criminalized terrorist financing.

On September 11, 2007, former President Nestor Kirchner signed into force the National Anti-Money Laundering and Counter-Terrorism Finance Agenda. The overall goal of the National Agenda is to serve as a roadmap for fine-tuning and implementing existing money laundering and terrorist financing laws and regulations. The Agenda's 20 individual objectives focus on closing legal and regulatory loopholes and improving interagency cooperation. The ongoing challenge is for Argentine law enforcement and regulatory institutions to continue to implement the National Agenda and aggressively enforce the strengthened and expanded legal, regulatory, and administrative measures available to them to combat financial crimes.

Argentina's primary anti-money laundering legislation is Law 25.246 of May 2000 (although money laundering was first criminalized under Section 25 of Law 23.737, which amended Argentina's Penal Code in October 1989). Law 25.246 expanded the predicate offenses for money laundering to include all crimes listed in the Penal Code, set a stricter regulatory framework for the financial sectors, and created the UIF under the Ministry of Justice and Human Rights. The law requires customer identification, record-keeping, and reporting of suspicious transactions by all financial entities and businesses supervised by the Central Bank, the Securities Exchange Commission (Comisión Nacional de Valores, or CNV), and the National Insurance Superintendence (Superintendencia de Seguros de la Nación, or SSN). The law requires similar reporting by designated self-regulated nonfinancial entities that report to the UIF. Further, the law forbids institutions to notify their clients when filing suspicious transaction reports (STRs), and provides a safe harbor from liability for reporting such transactions. Reports that are deemed by the UIF to warrant further investigation are forwarded to the special anti-money laundering and counterterrorism finance prosecution unit of the Attorney General's Office.

Law 26.087 of March 2006 amends and modifies Law 25.246 to address many previous deficiencies in Argentina's anti-money laundering regime. It makes substantive improvements to existing law, including lifting bank, stock exchange, and professional secrecy restrictions on filing suspicious activity reports; partially lifting tax secrecy provisions; clarifying which courts can hear requests to lift tax secrecy requests; and requiring court decisions within 30 days. Law 26.087 also lowers the standard of proof required before the UIF can pass cases to prosecutors, and eliminates the so-called "friends and family" exemption contained in Article 277 of the Argentine Criminal Code for cases of money laundering, while narrowing the exemption in cases of concealment. Overall, the law clarifies the relationship, jurisdiction, and responsibilities of the UIF and the Attorney General's Office, and improves information sharing and coordination. The law also reduces restrictions that have prevented the UIF from obtaining information needed for money laundering investigations by granting greater access to STRs filed by banks. However, the law does not lift financial secrecy provisions on records of large

cash transactions, which are maintained by banks when customers conduct a cash transaction exceeding 30,000 pesos (approximately \$9,000).

In September 2006, Congress passed Law 26.119, which amends Law 25.246 to modify the composition of the UIF. The law reorganized the UIF's executive structure, changing it from a five-member directorship with rotating presidency to a structure that has a permanent, politically-appointed president and vice-president. Law 26.119 also established a UIF Board of Advisors, comprised of representatives of key government entities, including the Central Bank, AFIP, the Securities Exchange Commission, the National Counter-narcotics Secretariat (SEDRONAR), and the Justice, Economy, and Interior Ministries. The UIF legally must consult the Board of Advisors, although its opinions on UIF decisions and actions are nonbinding.

The UIF has issued resolutions widening the range of institutions and businesses required to report suspicious or unusual transactions beyond those identified in Law 25.246. Obligated entities include the tax authority (Administración Federal de Ingresos Públicos, or AFIP), Customs, banks, currency exchange houses, casinos, securities dealers, insurance companies, postal money transmitters, accountants, notaries public, and dealers in art, antiques and precious metals. The resolutions issued by the UIF also provide guidelines for identifying suspicious or unusual transactions. All suspicious or unusual transactions, regardless of the amount, must be reported directly to the UIF. Obligated entities are required to maintain a database of information related to client transactions, including suspicious or unusual transaction reports, for at least five years and must respond to requests from the UIF for further information within a designated period. As of September 2008 the UIF had received 4,032 reports of suspicious or unusual activities since its inception in November 2002, forwarded 491 suspected cases of money laundering to prosecutors for review, and collaborated with judicial system investigations of 155 cases of suspected money laundering. There have been only two convictions for money laundering since it was first criminalized in 1989 under Article 25 of Narcotics Law 23.737 and none since the passage of Law 25.246 in 2000. A third money laundering case brought under Law 23.737 is pending before Argentina's Supreme Court.

The Central Bank requires by resolution that all banks maintain a database of all transactions exceeding 30,000 pesos, and submit the data to the Central Bank upon request. Law 25.246 requires banks to make available to the UIF upon request records of transactions involving the transfer of funds (outgoing or incoming), cash deposits, or currency exchanges that are equal to or greater than 10,000 pesos (approximately \$3,200). The UIF further receives copies of the declarations to be made by all individuals (foreigners or Argentine citizens) entering or departing Argentina with over \$10,000 in currency or monetary instruments. These declarations are required by Resolutions 1172/2001 and 1176/2001, which were issued by the Argentine Customs Service in December 2001. In 2003, the Argentine Congress passed a law that would have provided for the immediate fine of 25 percent of the undeclared amount, and for the seizure and forfeiture of the remaining undeclared currency and/or monetary instruments. However, the President vetoed the law because it allegedly conflicted with Argentina's commitments to MERCOSUR (Common Market of the Southern Cone).

Although the GOA has passed a number of new laws in recent years to improve its anti-money laundering and counterfinancing of terrorism (AML/CTF) regime, Law 25.246 still limits the UIF's role to investigating only money laundering arising from seven specific or "predicate" crimes. Also, the law does not criminalize money laundering as an offense independent of the underlying crime. A person who commits a crime cannot be

independently prosecuted for laundering money obtained from the crime; only someone who aids the criminal after the fact in hiding the origins of the money can be guilty of money laundering. Another impediment to Argentina's anti-money laundering regime is that only transactions (or a series of related transactions) exceeding 50,000 pesos (approximately \$16,000) can constitute money laundering. Transactions below 50,000 pesos can constitute only concealment, a lesser offense.

In 2006 and 2007, the National Coordination Unit in the Ministry of Justice, Security, and Human Rights became fully functional, managing the government's AML/CTF efforts and representing Argentina at the Financial Action Task Force (FATF), the Financial Action Task Force for South America (GAFISUD), and the Organization of American States Inter-American Control Commission (OAS/CICAD) Group of Experts. The Attorney General's special prosecution unit set up to handle money laundering and terrorism finance cases began operations in 2007. Although the Argentine Central Bank's Superintendent of Banks has not created a specialized anti-money laundering and counterterrorism finance examination program as previously considered, it began in 2008 specific anti-money laundering and counterterrorism finance inspections of financial entities and exchange houses.

Argentina's Narcotics Law of 1989 authorizes the seizure of assets and profits, and provides that these or the proceeds of sales will be used in the fight against illegal narcotics trafficking. Law 25.246 provides that proceeds of assets forfeited under this law can primarily be used to fund the UIF. Argentine courts and law enforcement agencies have used the authority to seize and utilize assets on a selective and limited basis, although complex procedural requirements complicate authorities' ability to take full advantage of the asset seizure provisions offered under these laws.

Prior to the passage of terrorist financing legislation in June 2007, the Central Bank was the lead Argentine entity responsible for issuing regulations on combating the financing of terrorism. The Central Bank issued Circular A-4273 in 2005 (titled "Norms on 'Prevention of Terrorist Financing'"), requiring banks to report any detected instances of the financing of terrorism. The Central Bank regularly updates and modifies the original circular. The Central Bank of Argentina also issued Circular B-6986 in 2004, instructing financial institutions to identify and freeze the funds and financial assets of the individuals and entities listed on the list of Specially Designated Global Terrorists designated by the United States pursuant to E.O. 13224. It modified this circular with Resolution 319 in October 2005, which expands Circular B-6986 to require financial institutions to check transactions against the terrorist lists of the United Nations, United States, European Union, Great Britain, and Canada. No assets have been identified or frozen to date. The GOA and Central Bank assert that they remain committed to freezing assets of terrorist groups identified by the United Nations if detected in Argentine financial institutions.

In December 2006, the U.S. Department of Treasury designated nine individuals and two entities that provided financial or logistical support to Hizballah and operated in the territory of neighboring countries that border Argentina. This region is commonly referred to as the Tri-Border Area, located between Argentina, Brazil, and Paraguay. The GOA joined the Brazilian and Paraguayan governments in publicly disagreeing with the designations, stating that the United States had not provided new information proving terrorist financing activity is occurring in the Tri-Border Area.

Working with the U.S. Department of Homeland Security's Office of Immigration and Customs Enforcement (ICE), Argentina has established a Trade Transparency Unit

(TTU). The TTU examines anomalies in trade data that could be indicative of customs fraud and international trade-based money laundering. One key focus of the TTU, as well as of other TTUs in the region, is financial crime occurring in the Tri-Border Area. The creation of the TTU was also a positive step toward complying with FATF Special Recommendation VI on terrorist financing via alternative remittance systems. Trade-based systems often use fraudulent trade documents and over and under invoicing schemes to provide counter valuation in value transfer and settling accounts.

The GOA remains active in multilateral counternarcotics and international AML/CTF organizations. It is a member of the OAS/CICAD Experts Group to Control Money Laundering, the FATF and GAFISUD. The GOA is a party to the 1988 UN Drug Convention, the UN Convention for the Suppression of the Financing of Terrorism, the UN Convention against Transnational Organized Crime, and the UN Convention against Corruption. Argentina participates in the "3 Plus 1" Security Group (formerly the Counter-Terrorism Dialogue) between the United States and the Tri-Border Area countries. The UIF has been a member of the Egmont Group since July 2003, and has signed memoranda of understanding regarding the exchange of information with a number of other financial intelligence units. The GOA and the U.S. government have a Mutual Legal Assistance Treaty that entered into force in 1993, and an extradition treaty that entered into force in 2000.

With passage of counterterrorist financing legislation and strengthened mechanisms available under Laws 26.119, 26.087, 25.246, and 26.268 Argentina has the legal and regulatory capability to combat and prevent money laundering and terrorist financing. The new national anti-money laundering and counterterrorist financing agenda provides the structure for the GOA to improve existing legislation and regulation, and enhance inter-agency coordination. The ongoing challenge is for Argentine law enforcement and regulatory agencies and institutions, including the Ministry of Justice, Central Bank, the UIF, and other institutions to implement fully the National Agenda and aggressively enforce the newly strengthened and expanded legal, regulatory, and administrative measures available to them to combat financial crimes. The GOA could further improve its legal and regulatory structure by enacting legislation to expand the UIF's role to enable it to investigate money laundering arising from all crimes, rather than just seven enumerated crimes; establishing money laundering as an autonomous offense; and eliminating the current monetary threshold of 50,000 pesos (approximately \$16,000) required to establish a money laundering offense. To comply fully with the FATF recommendation on the regulation of bulk money transactions, Argentina should review policy options that are consistent with its MERCOSUR obligations. Other continuing priorities are the effective sanctioning of officials and institutions that fail to comply with the reporting requirements of the law, the pursuit of a training program for all levels of the criminal justice system, and the provision of the necessary resources to the UIF to carry out its mission. There is also a need for increased public awareness of the problem of money laundering and its connection to narcotics, corruption, and terrorism.